

UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

Margaret Trefethen,
Plaintiff

v.

Liberty Mutual Group, Inc.,
Defendant

Case No. 11-cv-225-SM
Opinion No. 2013 DNH 148

O R D E R

As it did in the substantially similar case of Bryant v. Liberty Mutual Group, Inc., 2013 DNH 142 (D.N.H. Oct. 24, 2013), Liberty Mutual has filed a motion for sanctions under Rule 11 of the Federal Rules of Civil Procedure.¹ That motion is denied.

The imposition of sanctions under Rule 11 is reserved for cases in which a party or an attorney has made arguments for an "improper purpose," advanced "frivolous" claims, or asserted factual allegations without "evidentiary support" or the "likely" prospect of such support. See, e.g., Citibank Global Mkts., Inc.

¹ Three former employees of Liberty Mutual brought independent, but substantially similar, suits against their former employer, asserting that they were the victims of wrongful termination and, in some cases, unlawful workplace discrimination. Each of those plaintiffs was represented by the same counsel and each raised similar legal arguments in an effort to invalidate the Severance Agreement and General Release they had signed upon their separation from Liberty Mutual. See Bryant v. Liberty Mut. Group, Inc., 11-cv-217-SM, Trefethen v. Liberty Mut. Group, Inc., 11-cv-225-SM, and Stevens v. Liberty Mut. Group, Inc., 11-cv-218-PB.

v. Rodriguez Santana, 573 F.3d 17, 32 (1st Cir. 2009). See also CQ Int'l Co. v. Rochem Int'l, Inc., USA, 659 F.3d 53, 60 (1st Cir. 2011). This is not such a case.

Like the plaintiff in Bryant, Trefethen recognized that her wrongful termination claims against Liberty Mutual would be barred if the Severance Agreement and General Release she signed was valid and enforceable against her. Indeed, Liberty Mutual moved for summary judgment on that very ground, asserting that Trefethen's employment-related claims were precluded by the Severance Agreement. Accordingly, Trefethen's initial efforts were focused on invalidating that agreement.

Trefethen's efforts to overcome the contractual bar ultimately proved unavailing. But, as was the case in Bryant, Trefethen's arguments were not so weak, or frivolous, or lacking in factual or legal support as to warrant the imposition of sanctions under Rule 11. See generally Young v. City of Providence, 404 F.3d 33, 39-40 (1st Cir. 2005) ("[C]ourts ought not invoke Rule 11 for slight cause; the wheels of justice would grind to a halt if lawyers everywhere were sanctioned every time they made unfounded objections, weak arguments, and dubious factual claims."). Nor is there evidence that those arguments were advanced for an improper purpose or that counsel conducted a

culpably inadequate investigation prior to filing suit. And, of course, Liberty Mutual is not entitled to an award of sanctions under Rule 11 simply because some of Bryant's claims proved unsuccessful. See, e.g., Protective Life Ins. Co. v. Dignity Viatical Settlement Partners. L.P., 171 F.3d 52, 58 (1st Cir. 1999).

Conclusion

For the foregoing reasons, as well as those discussed in greater depth in Bryant, the court concludes that Trefethen's legal arguments supportive of her view that the Severance Agreement was unenforceable on grounds of fraudulent inducement were consistent with existing law, there was adequate factual support for at least some of the arguments she pressed, and there was no evidence that those arguments were advanced for an improper purpose.

Defendant's Motion for Rule 11 Sanctions (document no. [65](#)) is denied.

SO ORDERED.


Steven J. McAuliffe
United States District Judge

November 7, 2013

cc: John E. Lyons, Jr., Esq.
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